

Reclamation Manual

Directives and Standards

Subject:	Reporting Deferred Maintenance and Repairs (DM) of the Bureau of Reclamation's Reserved Works Assets
Purpose:	The purpose of this Directive and Standard (D&S) is to establish standardized processes and procedures to identify, track, document, and report DM of assets owned, operated, and maintained by Reclamation, known as reserved works. The benefits of this D&S are to identify the data sources, establish the reporting schedule, and the report format for consistent reporting of DM across Reclamation.
Authority:	Reclamation Act of 1902 (ch. 1093, 32 Stat. 388); Federal Accounting Standards Advisory Board Statement of Federal Financial Accounting Standard (SFFAS) 6: <i>Accounting for Property, Plant and Equipment</i> (PP&E); SFFAS 8: <i>Supplementary Stewardship Reporting</i> ; SFFAS 11: <i>Amendments to Accounting for Property, Plant, and Equipment Definitional Changes</i> (Amends SFFAS 6 and 8); SFFAS 14: <i>Amendments to Deferred Maintenance Reporting</i> (Amends SFFAS 6 and 8); SFFAS 16: <i>Amendments to Accounting for Property, Plant and Equipment Multi-use Heritage Assets</i> (Amends SFFAS 6 and 8); SFFAS 25: <i>Reclassification of Stewardship Responsibilities and Elimination of the Current Services Assessment</i> ; SFFAS 29: <i>Heritage Asset and Stewardship Land</i> ; Technical Release 9: <i>Implementation Guide for SFFAS 29: Heritage Assets and Stewardship Land</i> ; SFFAS 40: <i>Definitional Changes Related to Deferred Maintenance and Repairs</i> (Amends SFFAS 6); SFFAS 42: <i>Deferred Maintenance and Repairs</i> (Amends SFFAS 6, 14, 29, and 32); Department of the Interior <i>Policy on Deferred Maintenance, Current Replacement Value and Facility Condition Index in Life-Cycle Cost Management</i> , 2008; Department Acquisition, Assistance, and Asset Policy (DOI-AAAP-0031): <i>Changes to Deferred Maintenance and Repairs Reporting by the Statement of Federal Financial Accounting Standards 42</i> , 2015
Approving Official:	Director, Policy and Administration (POLICY)
Contact:	Asset Management Division, 84-57000

1. Introduction.

- A. Issuance of the SFFAS 6, *Accounting for Property, Plant, and Equipment*, established the standards for disclosing DM associated with federally funded and constructed assets. Reclamation is required to disclose the amount of DM as part of the Department of the Interior has consolidated Agency Financial

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Report (AFR) Required Supplemental Information (RSI). According to SFFAS 42, DM consists of maintenance and repairs that were not performed when they should have been, or were scheduled to be and are put off or delayed for a future period. Reclamation considers repairs as part of maintenance for the purposes of this D&S, and in order to establish consistent terminology throughout Reclamation, references to DM shall include repairs. Budget and staffing limitations, inclement weather, reservoir restrictions, or higher priority maintenance activities are some examples of reasons to defer maintenance. DM represents Reclamation's maintenance backlog.

- B. Approximately one-third of Reclamation's constructed assets, referred to as reserved works, are operated and maintained by Reclamation personnel or by contract. The remaining two-thirds of Reclamation's constructed assets, referred to as transferred works (Reclamation retains title of all constructed assets pursuant to the Reclamation Act of 1902 Sec. 6, are operated and maintained under a transfer agreement by operating entities that are responsible for funding, managing, and performing operation and maintenance (O&M) of Reclamation owned facilities.

2. Applicability.

- A. This D&S applies to regional, area, and field office staff responsible for management and oversight of any reserved works maintenance-related activity that was scheduled to be completed but was deferred, regardless of reason or funding source.
- B. This D&S applies only to reserved works assets, including heritage assets that are designated as a National Historic Landmark (NHL), and reserved works assets that house collectible heritage assets. Reclamation is constrained from comprehensively identifying or estimating DM on transferred works assets since O&M is planned and managed by operating entities; therefore, reporting of DM on transferred works assets does not apply under this D&S.
- C. This D&S does not apply to Safety of Dams risk reduction actions. Safety of Dams risk reduction actions are managed through processes set forth in the following Reclamation Manual D&Ss: *Reclamation Dam Safety Program* (FAC 06-01) and *Annual Reporting for Dam Safety, Security, and Related Operations* (FAC 01-06).

3. Definitions. The following definitions will be used to document and report maintenance-related activities under this D&S.

- A. **Deferred Maintenance and Repairs or DM.** Per SFFAS 42, maintenance and repairs that were not performed when they should have been, or were scheduled to be and which are put off or delayed for a future period.

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- B. **Heritage Assets.** PP&E that are protected under the National Historic Preservation Act because they have historical significance; are of cultural, educational, or scientific value; or have significant architectural or historical engineering or technological characteristics. Heritage assets are generally expected to be preserved indefinitely. There are two categories of heritage assets: non-collectible heritage assets and collectible heritage assets.
- (1) Non-collectible heritage assets include, but are not limited to, asset classes such as buildings and structures, archeological sites, memorials, and monuments that are formally designated as NHL, or are listed in the National Register of Historic Places (NRHP), or are eligible for listing in the NRHP. However, for the purposes of this D&S, only maintenance and repairs related to maintaining the historic status of reserved works assets that have been federally, congressionally, or departmentally designated as an NHL will be considered for reporting as Stewardship PP&E Heritage Asset DM, all other activities will be reported as general PP&E.
 - (2) Collectible heritage assets, also known as museum property or museum collections, include archaeological objects, artwork, archives, historical objects, ethnographic items, and natural history specimens. For the purposes of this D&S, only maintenance and repair activities related to the storage of museum property at reserved works assets will be considered for reporting as Stewardship PP&E Heritage Asset DM, all other activities will be reported as general PP&E.
- C. **Maintenance and Repairs.** Per SFFAS 42, activities directed toward keeping assets in an acceptable condition. These activities include preventive maintenance; replacement of parts, systems, or components; and other activities needed to preserve or maintain the asset. Maintenance and repairs, as distinguished from capital improvements, exclude activities directed toward expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, its current use.
- D. **Replacement.** The substitution or exchange of an existing facility, facility component, or item of equipment for another having the capacity to perform the same function. The scope of a replacement activity can vary from the construction of a new facility to the purchase and installation of replacement parts.
- E. **Reserved Works.** Reclamation-owned facilities for which Reclamation manages and performs O&M, either through Reclamation personnel or through a maintenance contract.
- F. **Transferred Works.** Reclamation-owned facilities for which the responsibility to manage and perform O&M has been transferred by contract or agreement to a non-federal operating entity.

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4. Responsibilities.

- A. **Director, Program and Budget.** The Director, Program and Budget is responsible for:
- (1) providing an annual call letter on budget formulation, for Reclamation personnel;
 - (2) preparing and transmitting the guidance for the annual Budget Review Committee (BRC) Regional Notebook, which is one of the data sources to identify potential DM; and
 - (3) overseeing the programming of funds needed to manage the accumulation of DM.
- B. **Director, POLICY.** The Director, POLICY is responsible for:
- (1) preparing the initial and draft report of potential DM for the current fiscal year, compiled from regional data from the DM Reporting Sources in Paragraph 5 of this D&S, and with input from POLICY cultural resources staff to ensure assets reported under the heritage asset category are current, complete, and accurate;
 - (2) submitting the final report, as required by the Department in DOI-AAAP-0031, to the Office of Financial Management (PFM) at the end of the fiscal year for reporting in the RSI section of the Department's AFR;
 - (3) providing quality assurance by compiling and reviewing the DM data submitted by each of the regions;
 - (4) providing trend analysis and annual summaries of the status of Reclamation-wide DM (or other information upon request), for the Reclamation Leadership Team, BRC, and Reclamation Facilities O&M Team;
 - (5) responding to auditors regarding corporate perspectives in reporting and documenting DM;
 - (6) ensuring that reporting is consistent within Reclamation;
 - (7) providing workshops to maintain consistency and disseminate changes in the reporting and documentation of DM;
 - (8) issuing the final fiscal year DM report to Management Services Office (MSO), Business Analysis Division, Reporting and Accounting Team for

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submission of the DM disclosure in the RSI section of the Department's AFR; and

- (9) providing the requirements for Reclamation's DM reporting, including reporting formats for use in regional reporting, as described in Appendix A.

C. Director, MSO. The Director, MSO is responsible for:

- (1) ensuring that reporting is consistent with updates or changes released annually by PFM in a Financial Management Memorandum (FMM);
- (2) preparing the tables using the Business Planning and Consolidation templates for reporting in the Department's AFR; and
- (3) ensuring that the supporting documentation provided from POLICY supports the templates used for reporting in the Department's AFR.

D. Regional Directors. Regional directors are responsible for:

- (1) preparing and documenting the region's official reporting of DM as submitted by the various offices and facility managers into a region-wide disclosure;
- (2) preparing the tables using the DM Reporting Sources in Paragraphs 5.A. through 5.E. of this D&S, and providing a review of data reported;
- (3) ensuring submission of the region's official reporting of DM is consistent with this D&S and using the format outlined in Appendix A;
- (4) coordinating with POLICY and area offices or facility managers in the reporting of region-wide DM;
- (5) disseminating and ensuring this D&S is applied consistently in the region; and
- (6) using management discretion to report DM activities that are not identified through DM Reporting Sources listed in Paragraphs 5.A. through 5.E. of this D&S.

E. Area or Facility Managers. Area or facility managers are responsible for:

- (1) documenting, and preparing third quarter and year end reports of DM using the DM Reporting Sources in Paragraphs 5.A. through 5.E. of this D&S;
- (2) maintaining data and documentation of DM for auditing purposes;

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- (3) maintaining data for cost estimates and updating the current total funding estimate for activities reported as DM; and
 - (4) using management discretion to report DM activities that are not identified through DM Reporting Sources listed in Paragraphs 5.A. through 5.E. of this D&S.
- 5. **DM Reporting Sources.** Potential new DM, in addition to any prior-year DM that has not started, will be reported and documented in the following source materials, as appropriate:
 - A. **Regional BRC Notebooks.** The extraordinary maintenance tables from the Regional BRC Notebooks will be used to determine new DM activities for reporting that are not funded or commenced as scheduled in the notebook formulation year.
 - B. **Dam Safety Information System and Power Review Information System.** Category 1 and 2 water and power maintenance-related recommendations from facility reviews (reserved works high- and significant- hazard dams), Associated Facility Review of Operation and Maintenance examinations (reserved works water facilities other than high- and significant-hazard dams), and Power Reviews of Operation and Maintenance, which would result in physical changes to the facility or equipment, will be used when appropriate as sources to report DM. Recommendations related to perform training, examination, or study, such as Underwater Examination or Arc Flash Study, would not be reported as DM.
 - (1) Activities and cost estimates originating from current, incomplete maintenance-related O&M recommendations not started by the “original scheduled completion date” are DM.
 - (2) Maintenance-related recommendations that do not have the “original scheduled completion date” field filled in with a date by the end of the next fiscal year following the fiscal year in which the review or examination was initially completed are DM.
 - (3) Maintenance-related recommendations related to safety deficiencies, that will result in physical changes to facility or equipment, will be reported as DM if they meet the conditions listed in Paragraphs 5.B. (1) or (2).
 - C. **Capital Asset and Resource Management Application (CARMA)/MAXIMO™.** CARMA is Reclamation’s deployment of the MAXIMO™ software, which is a comprehensive enterprise asset management database used for asset lifecycle and maintenance management.

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- (1) For those locations or offices using CARMA, a preventive maintenance (PM) work order identified in CARMA with a frequency 1 year or greater, with a past due target finish date or Skipped PM (SKPM) status will be DM. The reporting requirement does not apply to non-maintenance-related activities, such as physical examinations by personnel or writing/reviewing of standard operating procedures. Work orders that are in-progress will not be reported, as they are no longer considered deferred.
 - (2) CARMA corrective maintenance (CM) or modifications (MOD) work order types, with a past due target finish date will be DM. Work orders with work order status work request (WR) will not be reported as DM since the activity has not yet been reviewed or approved. Work orders that are in-progress will not be reported, as they are no longer considered deferred.
- D. **Financial and Business Management System (FBMS).** FBMS is an integrated suite of software applications designed to streamline financial and administrative functions across all Department bureaus. Activities for locations or offices not using CARMA will use FBMS work orders as a source for DM reporting. Real Property Maintenance Management (RPM) work orders in released status, that are not associated with a CARMA work order and have not been started by the scheduled finish date, will be reported as DM.
- E. **Manual Maintenance Management System.** Facilities not using FBMS or CARMA for maintenance management systems are required to report DM using existing O&M files and documentation.
- F. **Management Discretion.** Management discretion can be used to add activities that have not been identified through DM Reporting Sources listed in Paragraphs 5.A. through 5.E., this discretion can be exercised by a regional director, or area or field manager.

For reporting purposes, once work has been re-initiated, the work activity will not be reported as DM, but will be tracked as in-progress in the quarterly report until the activity is complete. For activities that include design in the scope, the activity is considered to have started when the design work begins. Construction activities scheduled to start following design completion and subsequently postponed will be DM. If the activity includes only construction, it is considered initiated once the construction contract is awarded or force account work begins.

6. DM Reporting Schedule.

- A. The reporting schedule follows the requirements set forth in DOI-AAAP-0031. Due dates may change based on the annual data call for RSI information from the Department's PFM.

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- B. Regional offices will submit consolidated regional DM reports to the Director, POLICY, using the information described in Appendix A. Offices responsible for regional reporting will transmit a memorandum, signed by the manager of the reporting office, with the third quarter DM report submission. The regional director will transmit a signed memorandum with the regional fourth quarter DM report submission. The reporting schedule is as follows:
- (1) first quarter – none required;
 - (2) second quarter – none required;
 - (3) third quarter – last work day of June; and
 - (4) fourth quarter – last work day in September.